



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 23-113

June 27, 2023

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PLN100338 - SIGNAL HILL LLC

Public hearing to consider three appeals, one by Raymond Neutra, aka Neutra Institute for Survival Through Design, one by Samuel Reeves represented by Anthony Lombardo, Esquire, and one by Alliance of Monterey Area Preservationists represented by its President, Mimi Sheridan, from the January 25, 2023 Planning Commission decision approving a Combined Development Permit authorizing demolition of a 4,124 square foot single family residence and the construction of a new three level 11,933 square foot single family residence including an attached three-car garage, a 986 square foot entry court, 106 square feet of uncovered terraces, approximately 2,600 square feet of covered terraces, new driveway, and approximately 1,700 cubic yards of grading (1,200 cubic yards cut/500 cubic yards fill) and restoration of approximately 1.67 acre of native dune habitat; The project, Alternative 9 of the Environmental Impact Report, includes development on a ridgeline, on slopes exceeding 30 percent, within 100 feet of environmentally sensitive habitat area, and within 750 feet of a known archaeological resources, removal of three Monterey Cypress trees, and demolition of a listed historic resource.

Project Location: 1170 Signal Hill Road, Pebble Beach, Del Monte Forest Area Land Use Plan, Coastal Zone

Proposed CEQA Action: Certify an Environmental Impact Report and adopt CEQA Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Plan.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt two separate resolutions (Attachments A and B) to:

a. Certify the Signal Hill LLC Environmental Impact Report (SCH#: 2015021054) (Attachment A); and

b. Grant the appeals by Raymond Neutra, of the Neutra Institute for Survival Through Design; Anthony Lombardo on behalf of Samuel Reeves; and Mimi Sheridan on behalf of the Alliance of Monterey Area Preservationists, from the January 25, 2023 Planning Commission decision approving the Combined Development Permit (PLN100338/Signal Hill LLC);

c. Adopt a Statement of Overriding Consideration;

d. Approve the "Reduced Project" alternative, subject to review of the final design, including a Combined Development Permit consisting of:

(1) A Coastal Administrative Permit to allow the demolition of an existing 4,124 square foot single family residence and the construction of a new residence in substantially the same location and restoration of approximately 1.67 acre of native dune habitat;

(2) A Coastal Administrative Permit for the construction of a new single-family residence of similar size, in concept, as the existing residence;

- (3) A Coastal Development Permit to allow development within 100 feet of environmentally sensitive habitat;
 - (4) A Coastal Development Permit for development on slopes exceeding 30 percent;
 - (5) A Coastal Development Permit for development within 750 feet of a known archeological resources; and
- e. Adopt a Mitigation Monitoring and Reporting Plan (MMRP).

The attached draft resolutions include findings and evidence for Board consideration. Staff recommends approval of the Reduced Project, which is Alternative 6 in the FEIR. A draft resolution for consideration of the “Preservation” alternative (Alternative 1) is also included for the Board’s consideration per its direction provided at the Board’s May 9, 2023 hearing on this Project (Attachment B).

PROJECT INFORMATION:

Property Owner: Massy Mehdipour

Agent: None

APN: 008-261-007-000

Zoning: Low Density Residential, 1.5 acres per unit with Design Control Overlay (Coastal Zone)

Flagged and Staked: Photographic simulations in EIR

SUMMARY:

The Mehdipour property is located at 1170 Signal Hill Road, Pebble Beach. The 2.2-acre property is zoned for low density single-family residential uses in the Coastal Zone. This project originally involved demolition of an existing 4,124 square foot single family dwelling and construction of a nearly 12,000 square-foot single-family dwelling in its place. During staff’s review of this project, potentially significant impacts to historic resources, biological resources, visual resources, archaeological resources, and development on 30% slopes were identified. An Environmental Impact Report (EIR) was prepared. The EIR identified significant impacts to an historic resource, the Richard Neutra designed Connell house. The Historic Resources Review Board (HRRB) reviewed two of the EIR’s Historic Resources mitigation measures for Historic Resources prior to their vote on the project. Even with these mitigations, the demolition of an historic resource remains a potentially significant impact. The EIR also identified potential impacts to sensitive biological habitats (coastal dunes), visual/aesthetics, tribal cultural resources, air quality and greenhouse gasses, hydrology and water quality, hazards and hazardous materials, noise, and geology and soils, such as development on slopes. Mitigation measures have been identified to reduce these impacts to a less-than-significant level.

On January 12, 2023, the HRRB heard the project proposal of the Reduced Height Alternative and voted 3 ayes and 1 no with 1 abstaining, 2 recused due to conflicts) to recommend that the Planning Commission (as the anticipated decision-making body) approve the Reduced Height Alternative, Alternative 9 of the EIR. The HRRB’s recommendation B is attached as **Attachment F**.

On January 25, 2023, the Planning Commission approved a Combined Development Permit (PLN100338/Signal Hill LLC), by a vote of 6 to 2 with 2 absent, to approve the Reduced Height Alternative, Alternative 9 of the EIR.

An appeal from the Planning Commission's decision was timely filed on February 8, 2023, by Raymond Neutra, aka Neutra Institute for Survival Through Design (**Attachment D1**). A second appeal was timely filed on February 8, 2023 by Anthony Lombardo on behalf of Samuel Reeves (**Attachment D2**). A third appeal was timely filed on February 9, 2023, on behalf of Alliance of Monterey Area Preservationists, represented by its President, Mimi Sheridan (**Attachment D3**). The appeals challenge the Planning Commission's approval and contend the decision is contrary to law and not supported by the evidence.

On May 9, 2023, the Board of Supervisors considered the project and appeals. The Board hearing on the appeals was de novo. At the conclusion of the hearing, the Board of Supervisors passed a motion of intent to grant the appeals and in so doing, the Board expressed support for the preservation of the historic resource (Alternative 1 of the EIR) or a reduced project alternative that would include demolition of the existing dwelling and construction of a new dwelling in the same footprint (Alternative 6 of the EIR). Staff is now returning to the Board of Supervisors with two resolutions. The first resolution would certify the EIR prepared for the project (**Attachment A**) and the second resolution would reject the demolition of the existing residence and approve in concept Alternative 1, Preservation (**Attachment B**). A third resolution allows the demolition and approves in concept Alternative 6, Reduced Project (**Attachment C**). Both alternatives would reduce impacts from those analyzed for the proposed 12,000 square foot project in the EIR.

Alternative 1 (Preservation) is described in the EIR as replacing, repairing, and preserving portions of the Connell house in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties. This was identified as the environmentally superior alternative in the EIR because it would avoid or reduce all impacts when compared to the full project. However, this alternative would not meet the applicant's project objectives. Staff has presented evidence in the form of testimony and structural evaluation (Appendix F to the FEIR) that Preservation is practically infeasible because it would allow a hazardous substandard dwelling to remain in place. The HRRB voted to support demolition, concluding that the Preservation Alternative would result in little more than a replica. However, the Board heard compelling argument to the contrary and has requested that staff work with the applicant on this Alternative. When staff did so, the applicant's response was that the Alternative is not feasible, and then referred to previous arguments made in the applicant's comment letter on the Draft EIR concerning her property rights.

Alternative 6 (Reduced Project), as described in the EIR, would demolish the Connell house and build a new single-family residence that would fit within the existing developed footprint and at a lower height to avoid any extension above the ridgeline. This alternative would also include full restoration of the 1.67-acre site. Moreover, it would meet some of the applicant's project objectives and have reduced impacts on aesthetics and biology when compared to the proposed Project. All other impacts would be similar to the proposed Project. Staff recommends Alternative 6 (Reduced Project) because it is practically feasible and full restoration of the remainder of the property would allow the hazardous substandard dwelling to be removed, the viewshed to be protected, and native sand dune ecology to be enhanced.

Staff discussed these alternatives with the applicant following the May 9, 2023, Board of Supervisors hearing. The applicant refuses to pursue the Preservation Alternative, as discussed above. The

applicant is most interested in compromising on a Reduced Project Alternative. The compromise would reduce the footprint (coverage) and floor area of the house from the previous proposal, but not to the extent that it would remain entirely within the existing developed footprint. Plans for the reduced project redesign are not available as of the writing of this report.

Due to the lack of specific plans for Alternative 6, staff has prepared a proposed project resolution that would approve a reduced project in concept but subject to future design review and approval. The scope of the Preservation Alternative (Alternative 1) is well understood. Staff has provided a both draft resolutions for the Board to consider. In any case, the EIR is adequate to disclose the impacts of the project. Moreover, the EIR evaluated a reasonable range of alternatives that inform the decision on this project. For this reason, staff recommends that the Board of Supervisors first certify the EIR and then act on the project and appeals.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Pursuant to Public Resources Code section 21083 and CEQA Guidelines sections 15081, 15161, and 15200 *et seq.*, The County, as Lead Agency, prepared an Environmental Impact Report (EIR) for this project. The Draft EIR was circulated for public review and comment from August 24 to October 12, 2018 (SCH No. 2015021054). A public scoping meeting was held on February 23, 2015, at the Pebble Beach Community Services District Office at 3101 Forest Lake Road, Pebble Beach. The EIR identified potentially significant impacts to Aesthetics, Archaeological Resources, Air Quality and Greenhouse Gases, Biological Resources, Geology, Seismicity, Soils, Hazards and Hazardous Materials, Historic Resources, Hydrology and Water Quality, and Noise. The EIR proposed mitigation measures to reduce all but one of the identified impacts to a less-than-significant level. Demolition of the existing historic house is a potentially significant impact to Historic Resources, pursuant to California Environmental Quality Act (CEQA) Guidelines section 15064.5(b). Mitigation measures have been identified which reduce some of these impacts, but not to a level of insignificance; therefore, these impacts are significant and unavoidable. To approve the project, or any alternative that includes demolition of the Connell house, the Board of Supervisors will need to consider whether the benefits of approving the project override its significant effects. As presented in staff's draft resolution, possible overriding considerations might include:

- Physical considerations, including the substandard conditions of the existing structure;
- Ecological considerations, including restoration and preservation of 1.67 acres of native sand dune habitat;
- Social considerations, including the applicants' project objectives and the treatment of other properties in the vicinity;
- Economic considerations, including temporary construction jobs and foreseeable increases in property tax revenue to the County generated by the project.

These considerations are discussed in more detail in the attached draft resolutions (**Attachments A, B, and C**).

During public review of the Draft EIR, the County received comments from three agencies: the Governor's Office of Planning and Research (standard reply), the California Coastal Commission, and the Monterey Bay Air Resources District. Eight organizations commented on the Draft EIR, all of which were architectural and historical organizations except for one, Pacific Legal Foundation, a

property owner rights organization. The public submitted 129 comment letters. County staff reviewed and provided detailed responses to all such comments in the Final EIR prepared for the project (**Attachment E**).

LUAC:

The proposed project was reviewed or continued by the Del Monte Forest Land Use Advisory Committee (LUAC) on several occasions between December of 2010 and November of 2011. At a duly-noticed public meeting on November 11, 2011, the LUAC voted 3 in favor and 3 against to recommend the project as proposed to the Planning Commission. Although not written in the recommendation section of the LUAC minutes, one LUAC member appears to have abstained, explaining that the member is a neighbor to the project. Extensive public comments were split on the project. (**Attachment G**).

OTHER AGENCY INVOLVEMENT:

The following agencies have reviewed the project, have comments, and/or have recommended conditions:

- Environmental Health Bureau
- Cypress Fire Protection District
- County Counsel
- Monterey Peninsula Water Management District
- California Air Resources Board
- California Coastal Commission

FINANCING:

Funding for staff time associated with this project is included in the FY2022-23 Adopted Budget within HCD Unit 8543 Appropriation Unit HCD002 and has been recovered through fees collected in prior fiscal years (FY2010-11 and FY2013-14) based on Fee Schedules in place under the former Resource Management Agency.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The intent of the hearing is to review and decide on three appeals on the Planning Commission decision on a Combined Development Permit and to decide on the Project and its CEQA review documents and findings.

Check the related Board of Supervisors Strategic Initiatives:

- ☐ Economic Development
- ☐ Administration
- ☐ Health & Human Services
- ☒ Infrastructure
- ☒ Public Safety

Prepared by: Mary Israel, Supervising Planner, x5183

Reviewed and approved by: Craig Spencer, Interim HCD Director *CS*

The following attachments are on file with the Clerk of the Board:

Attachment A - Draft Resolution certifying the Environmental Impact Report

Attachment B - Draft Resolution granting the appeals and approving the Preservation Alternative

- draft conditions of approval to the preservation alternative

Attachment C - Draft Resolution granting the appeals and approving, in concept, the reduced project alternative

- draft conditions of approval to the Reduced Project Alternative

Attachment D - Appeals

- Samuel Reeves, c/o Anthony Lombardo, Esquire
- Raymond Neutra, aka Neutra Institute for Survival Through Design
- Alliance of Monterey Area Preservationists, c/o the President, Mimi Sheridan

Attachment E - Final EIR (linked material on the County HCD website)

Attachment F - Historical Resources Review Board recommendation

Attachment G - LUAC minutes for November 17, 2011

Attachment H - Comment Letters to Board received since the May 9, 2023 hearing

Copies of the FEIR were distributed separately and are available for review on the County's public website at the following link:

<https://www.co.monterey.ca.us/government/departments-a-h/housing-community-development/planning-services/library-current-major-projects/signal-hill-llc-mehdipour>

cc: Front Counter Copy; California Coastal Commission; Erik Lundquist, AICP, HCD Director, Craig Spencer, HCD Chief of Planning; Mary Israel, Project Planner; Engineering Services; Environmental Health Bureau; Environmental Services; Cypress Fire Protection District; Massy Mehdipour, Applicant/Owner; Anthony Lombardo, agent for Appellant; Raymond Neutra, Appellant; Mimi Sheridan, Appellant; The Open Monterey Project (Molly Erickson); LandWatch (Director); INTERESTED PARTIES; Project File PLN100338